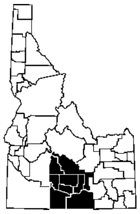

MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate in the Magic Valley Labor Market Area (LMA) was 4.0 percent in March 2003 as shown in Magic Valley Table 1. This was one-tenth of a percentage point less than February 2003 and nine-tenths of a percentage point less than March 2002. The number of unemployed persons decreased by 380 year-over-year and the *Civilian Labor Force* increased by 1,840 persons.

Nonfarm Payroll Jobs showed a strong increase of 8.7 percent year-over-year. This translates into 3,230 new jobs created from 2002 to 2003. Sectors that showed strong increases were *Construction* (51.6 percent), *Food Manufacturing* (22.2 percent), *Utilities* (16.7 percent), *Professional & Business Services* (28.9 percent), *Leisure & Hospitality* (9.9 percent), *and Other Services* (11.2 percent). The *Food Manufacturing* numbers are somewhat misleading because they reflect the transfer of several temporary workers into permanent status in many plants in western Magic Valley. It is important to remember that the Magic Valley LMA is comprised of Twin Falls, Jerome, and Gooding Counties, so these figures do not include the Mini-Cassia area where several hundred workers face layoffs. A somewhat surprising figure is the increase in *Construction* year-over-year. However, some new heavy construction projects were beginning and new housing starts have occurred at a record pace in the City of Twin Falls. Inclement weather in March 2002 caused construction delays, which are reflected in the year-ago numbers. Strong construction numbers are expected to continue due to the building of several new retail sites slated for 2003.

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	March 2003*	Feb 2003	March 2002	% Change From Last Month	% Change From Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	52,360	52,590	50,520	52,360	52,590
Unemployment	2,100	2,130	2,480	2,100	2,130
% of Labor Force Unemployed	4.0	4.1	4.9		
Total Employment	50,260	50,460	48,040	50,260	50,460
Unadjusted					
Civilian Labor Force	51,430	51,320	49,290	0.2	4.3
Unemployment	2,320	2,640	2,690	-12.1	-13.8
% of Labor Force Unemployed	4.5	5.1	5.5		
Total Employment	49,110	48,680	46,610	0.9	5.4
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	40,420	40,120	37,190	0.7	8.7
Goods-Producing Industries	8,090	7,900	6,510	2.4	24.3
Natural Resources & Mining	30	30	40	0.0	-25.0
Construction	2,350	2,250	1,550	4.4	51.6
Manufacturing	5,700	5,610	4,920	1.6	15.9
Food Manufacturing	3,850	3,680	3,150	4.6	22.2
Other Manufacturing	1,860	1,930	1,770	-3.6	5.1
Service-Producing Industries	32,340	32,230	30,680	0.3	5.4
Trade, Transportation & Utilities	9,680	9,810	9,530	-1.3	1.6
Wholesale Trade	1,880	1,850	1,750	1.6	7.4
Retail Trade	5,710	5,800	5,530	-1.6	3.3
Utilities	210	210	180	0.0	16.7
Transportation & Warehousing	1,880	1,940	2,070	-3.1	-9.2
Information	470	500	480	-6.0	-2.1
Financial Activities	1,690	1,680	1,540	0.6	9.7
Professional & Business Services	5,080	5,080	3,940	0.0	28.9
Educational & Health Services	3,060	3,070	2,960	-0.3	3.4
Leisure & Hospitality	3,430	3,450	3,120	-0.6	9.9
Other Services	1,490	1,490	1,340	0.0	11.2
Government Education	3,320	3,030	3,900	9.6	-14.9
Government Administration	4,130	4,130	3,880	0.0	6.4

*Preliminary Estimate

**Full– or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Sectors that showed significant decreases include *Natural Resources & Mining* (25 percent), *Transportation* (9.2 percent), *Information* (2.1 percent), and *Government Education* (14.9 percent). *Transportation* has been significantly affected by high gasoline prices caused by market uncertainty during the war with Iraq. That trend is expected to continue until petroleum prices drop. *Government Education* will continue to be an uncertain sector until the state economy and revenues improve.

In summary, the Magic Valley LMA continues to perform surprisingly well, and 2002 was a good year despite statewide recessionary pressure. The *Civilian Labor Force* remains solid and the unemployment rate is better than in most areas of the state. Job growth has been rapid. The outlook for 2003 is more optimistic than originally thought earlier in the year. At least two large retail employers are either constructing new buildings or will open in 2003, creating 200-300 new retail jobs. The water outlook has improved dramatically with excellent April rains and farmers should have their normal crop options. Commodities are down, especially milk prices and potato prices, but it should be a fairly average year in that sector. The ending of the war with Iraq should remove some of the caution seen in business hiring. All in all, the outlook for the Magic Valley in 2003 is cautiously optimistic.

SPECIAL TOPIC: Population—The Overlooked Economic Indicator

Though many people may not consider population to be an economic indicator, it is. Uncontrolled and unmanaged population growth can be detrimental to an area. However, sustained and steady population growth can be an indicator of economic health. The U.S. Census Bureau's recently released population figures, which show the change in population from 2000 to 2002, provides an interesting indication of the economic condition of South Central Idaho (see Magic Valley Table 2).

Blaine and Camas County in the north part of the region have experienced the largest percentage increase in population growth at 7.3 percent and 4.6 percent, respectively. Blaine County has had an influx of 1,387 people over the last two years. This is a concern because most of the in-migration has consisted of primarily part-time residents building high cost homes. While this is good for the property tax base, the county had limited land area and traffic gridlock has become a serious problem, especially between Ketchum and Hailey. Also, such building consumes land that might be used for affordable housing. The lack of affordable housing has caused severe labor shortages in the service sectors because these occupations do not pay enough for workers to live in the area, which has one of the highest cost of living rates in Idaho. Controlled population growth will be an area of concern for Blaine County.

Twin Falls, Gooding, Jerome, and Lincoln Counties have experienced moderate growth in the last two years. In the decade of the 1990's, Gooding and Jerome Counties experienced exceptional growth due to the expansion of the dairy industry. While growth is still occurring, it is at a much slower rate and is indicative of the apparent dairy saturation and the flattening of employment in that industry, and in milk processing. Twin Falls has experienced solid growth and this is confirmed by modest in-migration and record-setting new housing starts. The opening of Dell Computer Company's technical support call center and the subsequent creation of over 700 jobs contributed strongly to this trend. That moderate trend is expected to continue as Twin Falls County enjoys one of the strongest economies in the state, and the employment outlook continues to be optimistic.

Magic Valley Table 2: South Central Idaho Population Table

COUNTY	2000	2002	PERCENT CHANGE	NUMBER CHANGE
Blaine	18,991	20,378	7.3	1,387
Camas	991	1,037	4.6	46
Cassia	21,416	21,720	1.4	304
Gooding	14,155	14,307	1.1	152
Jerome	18,342	18,703	2.0	361
Lincoln	4,044	4,207	4.0	163
Minidoka	20,174	19,465	-3.5	-709
Twin Falls	64,294	65,472	1.8	1,178
TOTALS	**162,407**	**165,289**	**1.77**	**2,882**

The area of highest concern is the Mini-Cassia Area. Minidoka County's population decreased by 3.5 percent, or 709 persons from 2000 to 2002. Cassia County showed a moderate increase of 1.4 percent, or 304 persons. However, the net loss to the area was 405 persons. This is somewhat expected due to the announced closure of the J.R. Simplot Company facility and other major layoffs, but what is most alarming are that these figures reflect the situation as of July 1, 2002, only two months after the announcement and before any layoffs occurred. Loss of population at that rate could have a serious effect on such things as school funding and the property tax base. Major loss of population can dramatically affect retail and service businesses since there are fewer consumers to buy goods and services. Real estate values can be adversely impacted as demand drops and supply increases for housing, which then can affect realtors, title companies, etc. It is important to understand these problems and gear economic development at not only attracting and retaining new and existing businesses, but also at attracting and retaining new and existing residents. Overall, South Central Idaho has had fair to moderate growth despite serious economic problems statewide.

Gregory Rogers, Regional Labor Economist
771 N. College Road, Twin Falls, ID 83303
(208) 735-2500, ext. 3639
E-mail: grogers@jobservice.us